

**LEGISLATURE COMPLETES
FIRST-HOUSE DELIBERATIONS**

The Legislature Thursday concluded the first phase of the legislative process, as each house completed its consideration of bills introduced by its own members.

Next Monday, June 9, the two houses will begin their consideration of other-house bills – i.e., Assembly policy committees will analyze and vote upon bills introduced in the Senate, and vice versa. They are scheduled to meet until the beginning of summer recess on Friday, July 18. Whether that recess takes place as scheduled, earlier, or at all, depends in large part upon whether or not a budget bill has been sent to the Governor.

Any measures introduced in 2003 still remaining in their houses of origin at this point (e.g., Senate bills still in the Senate) can still be resurrected this year with appropriate (2/3 vote) rule waivers, but in almost all cases are “two-year bills” which will not be considered again until January 2004.

KEY LEGISLATIVE DATES

- June 15 – Constitutional deadline for the Legislature to approve the state’s 2003-04 Budget.
- June 30 – Constitutional deadline for the Governor to approve budget.
- July 11 – Last day for policy committees to meet and pass bills.
- July 18 – Summer recess if the budget bill has been enacted.

**UCL REFORM MEASURES NARROWLY APPROVED
BY BOTH HOUSES**

The two measures proposing to make reforms in the states Unfair Competition Law (B&P Code §17200 *et seq.*) were approved by the respective houses of the Legislature this week – though narrowly.

On Wednesday, the Senate approved by a vote of 22-15 [SB 122](#), by Senate Judiciary Committee Chair [Martha Escutia](#) (D-Whittier), which would require court review of attorneys fees in any settlements under suits alleging violation of the UCL (or resulting from a pre-filing demand letter), and would make disgorgement an appropriate remedy in UCL cases. The vote on the bill was partisan, with three Democratic members not voting.

The Assembly completed the package on Thursday evening, just a couple of hours shy of adjournment, by

giving 41-35 approval to [AB 95](#) by Assembly Judiciary Committee Chair [Ellen Corbett](#) (D-San Leandro). AB 95 would require persons bringing private actions under the UCL to alert defendants of their legal rights under the law and clarify conditions under which defendants can be joined. Four Democrats voted ‘No’ and three others abstained on the bill. All Republicans voted ‘No.’

AB 95 and SB 122 contain contingent enactment clauses requiring both bills to be signed into law for either to take effect. AB 95 also includes include a non-severability clause, meaning that if any of its provisions are found to be invalid by court ruling (or possibly referendum), none of its provisions – or those of SB 122, in all likelihood -- will be effective.

Both bills – and nine others, besides – were introduced in response to a spate of unsupported lawsuits filed against small businesspersons in California by certain law firms, several of which are under investigation by the Attorney General and State Bar for their activities.

In related developments, a petition filed in federal district court by the three attorneys of the best-known of those firms, the Trevor Law Group, to enjoin their recent suspension from the practice of law by the State Bar, was rejected by judge Audrey Collins on Thursday (May 29). The firm may still appeal the suspension to the Bar’s review department, and ultimately to the Supreme Court.

Also on Wednesday, the State Bar filed a formal [Notice of Disciplinary Charges](#) (NDC) against the three attorneys of the Trevor Law Group, seeking their disbarment.

BUDGET UPDATE

It was not a positive week for the state budget or the California economy. The Legislature is still a long way from approving a budget, and according to various newspaper articles, Senator Jim Brulte (R-Rancho Cucamonga), the Senate’s minority leader, threatened legislators in his party that he will fight to end their political careers of any Republican legislator (Senate or Assembly) who votes for a tax increases to close the state’s multi-billion budget gap. In addition, UCLA’s Anderson Forecast reported that the state is still in a recession.

The budget conference committee began its deliberations today.